

Message Text

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70

ACTION EUR-12

INFO OCT-01 ISO-00 AEC-07 AID-05 CEA-01 CIAE-00 CIEP-02

COME-00 DODE-00 EB-07 FPC-01 H-02 INR-07 INT-05 L-02

NSAE-00 NSC-05 OMB-01 PM-03 RSC-01 SAM-01 OES-05

SP-02 SS-15 STR-04 FRB-01 FEA-01 TRSY-06 PA-02 PRS-01

USIA-15 /115 W

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R 222156Z JAN 75

FM AMCONSUL VANCOUVER

TO SECSTATE WASHDC 1917

INFO AMEMBASSY OTTAWA

UNCLAS VANCOUVER 0082

EO 11652 NA

TAGS ENRG, CA

SUBJ PROVINCIAL/FEDERAL GAS TAX AGREEMENT

1. DETAILS OF PROVINCIAL/FEDERAL GAS TAX AGREEMENT RELEASED
HERE INCLUDE MUTUAL AGREEMENT ON THREE BASIC PRINCIPLES:

1) EXPORT PRICE OF GAS WILL INCREASE BY END OF 1975 (MOST
LIKELY TO MORE THAN DLRS 1.50 PER MCF), 2) INCREASED FEDERAL
TAXES WILL BE PAID BY BC, NOT COMPANIES, 3) OTTAWA WILL NOT
IMPOSE GAS EXPORT TAX AS IT HAS ON OIL.

2. ISSUES NOT RESOLVED INCLUDE SETTING "FAIR MARKET VALUE"
FOR GAS, TIME AND METHOD OF BC TAX PAYMENT TO OTTAWA, AND
TIMING AND AMOUNT OF EXPORT PRICE INCREASE. LATTER EXPECTED TO
BE RESOLVED AT PROVINCIAL/FEDERAL ENERGY MINISTERS MEETING
THIS SPRING.

3. LEFT UNANSWERED ARE QUESTIONS OF DOMESTIC PRICE INCREASE,
PROVINCIAL/MUNICIPAL REVENUE SHARING AND INCREASED PRICE TO
PRODUCERS. BC PREMIER BARRETT SAID THAT AGREEMENT WOULD RESULT
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IN WUP PERCENT OF PLANNED DRILLING IN BC TO GO ON AS SCHEDULED.

EILERS

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NNN

Message Attributes

Automatic Decaptioning: X
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Decaption Note:
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Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
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